



## ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

Committed to excellence in health care

Jane Dee Hull  
Governor

John H. Kelly  
Director

February 22, 1999

Rick Fenton  
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Health Care Financing Administration  
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Baltimore, MD 21244

Richard Chambers  
Associate Regional Administrator  
Health Care Financing Administration  
Medicaid State Operations Branch  
75 Hawthorne Street, 5<sup>th</sup> Floor  
San Francisco, CA 94105

Dear Mr. Fenton and Mr. Chambers:

Enclosed is an amendment to Section 4.1.8 of Arizona's Title XXI State Plan. Specifically, we are providing five additional reasons why a child who has been determined eligible for KidsCare would not receive a guaranteed initial 12 months of continuous coverage. The additional reasons are:

- The child, or the child's parent or legal guardian fails to cooperate in meeting the requirements of the program.
- The child's whereabouts are unknown.
- The cost sharing premium for the child is not paid when required, as prescribed in Arizona Revised Statute § 36-2982.
- The child is a patient in an institution for mental diseases.
- The child voluntarily withdraws from the program.

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As a result of adding this information to page 19 (Section 4.1.8), the text of the subsequent pages of Section 4 were changed, so we are also submitting pages 20 through 25 for continuity.

If you have any questions regarding this amendment, please contact Lynn Dunton at (602) 417-4447.

Sincerely,

  
John H. Kelly  
Director

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Enclosure

the representative outlining the information required and the time frame for providing the information.

Management reports will track all pending applications and the date that the application was received. These management reports will be continually monitored to ensure that action is timely on all pending applications.

All applications will be registered in the automated tracking system within 24-hours of the date of receipt by AHCCCS.

For eligibility determinations completed by the 25th day of the month, KidsCare eligibility will begin with the first day of the month following the month in which the child is determined to meet the eligibility criteria for the program. Children who are determined eligible for the program after the 25th day of the month will be eligible for the program the first day of the second month following the determination of eligibility.

A child who has been determined eligible for KidsCare will be guaranteed an initial 12 months of continuous coverage unless:

- The child, or the child's parent or legal guardian fails to cooperate in meeting the requirements of the program.
- The child's whereabouts are unknown.
- The cost sharing premium for the child is not paid when required, as prescribed in Arizona Revised Statute § 36-2982.

The child:

- Attains the age of 19.
- Is no longer a resident of the state.
- Is an inmate of a public institution.
- Is enrolled in Medicaid.
- Is determined to have been ineligible at the time of approval.
- Obtains private or group health insurance.
- Is adopted and no longer qualifies for KidsCare.
- Is a patient in an institution for mental diseases.
- Voluntarily withdraws from the program.

AHCCCS will redetermine eligibility annually based on the same criteria which was used in the initial determination of eligibility. Continuing eligibility after the initial 12-month guaranteed period will be for a 12-month period unless the member no longer meets the KidsCare eligibility criteria. If AHCCCS determines that the

child no longer meets the eligibility criteria, or the child, parent or legal guardian fails to respond or cooperate with the redetermination of eligibility, coverage will be terminated. AHCCCS will send reminder letters to the child, parent or legal guardian about the impending redetermination. In addition, follow-up phone calls will be made to those households who do not respond to the reminder letters.

4.1.9. ☒ **Other standards (identify and describe):**

*Citizenship or Qualified Alien Status.* A child must be a United States citizen or a qualified alien. Unless one of the exceptions listed in P.L. 104-193 is applicable, a child who is a qualified alien who entered the United States on or after August 22, 1996 is not eligible for KidsCare until five years after date of entry into the United States.

*Assignment of Rights.* A child's parent or any individual who has the legal authority to execute assignment of payments for medical care from any first or third party, must make the assignment to AHCCCS.

*Social Security Number.* The application for KidsCare will be a joint application for Medicaid and KidsCare. AHCCCS will request a Social Security Number on the KidsCare application but will not deny eligibility for KidsCare due solely to the failure to provide a Social Security Number or refusal to apply for a Social Security Number. However, if the financial screening determines that the child would be eligible for Medicaid if an application were processed and the child, or responsible party, refuses to apply for a Social Security Number necessary to complete the Medicaid application, AHCCCS will deny the KidsCare eligibility. Please see the requirement in Section 4.4.2.

4.2. *The state assures that it has made the following findings with respect to the eligibility standards in its plan: (Section 2102)(b)(1)(B))*

4.2.1. ☒ These standards do not discriminate on the basis of diagnosis.

4.2.2. ☒ When the gross income levels increase to 175% and 200% of the FPL in the state fiscal years 2000 and 2001, AHCCCS will continue to conduct outreach to all potentially eligible families, including those with children whose income is below 150% of the FPL. Secondly, if the DES denies children for TANF or other Medicaid-MAO groups or 1931 related groups due to income, these children will be screened for KidsCare eligibility.

- 4.2.3. ☒ These standards do not deny eligibility based on a child having a pre-existing medical condition.

**4.3. *Describe the methods of establishing and continuing eligibility and enrollment. (Section 2102)(b)(2))***

The following describes the methods of establishing and continuing eligibility and enrollment.

The child, a family member or legal guardian, will fill out a simple short form application which will be submitted to AHCCCS. If assistance with the application is needed, appropriate personnel will assist the applicant. The short form will also serve as an application for Medicaid. A supplement to the application may be used to obtain additional information necessary to determine Medicaid eligibility if it appears that the child may be eligible for Medicaid. In these instances, specific information may be needed (e.g. resources, proof of deprivation) which is not included on the KidsCare application. AHCCCS will provide assistance in completing the application as needed, both in person and by telephone. The family will submit verification of income and proof of citizenship, or qualified alien status and date of entry, if born outside of the United States.

A newborn of a mother who is eligible and enrolled in the KidsCare Program will be approved for KidsCare coverage unless the newborn is eligible for Medicaid. The newborn's KidsCare will begin with the newborn's date of birth. Prior to approval, the mother will be contacted by telephone to reverify household composition and monthly income. Once approved for KidsCare, the newborn will be enrolled with the mother's provider of care. The mother will be notified by mail of the newborn's enrollment into KidsCare and will be given an opportunity to change providers.

If a member of a family is enrolled in KidsCare and another child is born to the family, the newborn will be enrolled in KidsCare if the family income meets the KidsCare criteria. Eligibility will be prospective on the same basis as the preceding paragraph. The same process will apply to a child who may be reunited with a family.

The child, family member, or legal guardian will be given information about the different providers who are available to provide KidsCare services. The KidsCare providers are:

- AHCCCS health plans, which includes CMDP.
- Any of the state employee HMOs who elect to participate.
- For Native Americans, any of the above or the Indian Health Service or a 638 tribal facility.

Applicants must choose a contractor or the IHS before enrollment into the KidsCare Program. In addition, children eligible for KidsCare can elect to receive direct services from community health centers which will be funded with 100 percent state funds and not Title XXI funds. At a later time, if the child, parent or legal guardian who selected a community health center wants services from a KidsCare contractor, the child will be allowed to enroll with a contractor and receive all KidsCare services. Beginning October 1, 1999, the state will use a portion of the 10% Title XXI funds for direct services. In the Year 2000, the state may request a waiver of the 10% limitation in order to use more funds for direct services.

Written materials about the various contractors and their toll-free telephone numbers will be available with the application form. In addition, the covered services will be outlined in the written materials. If a Native American selects the Indian Health Service or a tribal facility, AHCCCS will provide any KidsCare services not provided by these entities on a fee-for-service basis off-reservation.

The applicant must enter their choice of a provider on the application. Once the application is approved, the applicant will be enrolled with their chosen provider and a notice confirming the choice and a member identification card will be sent to the member. Following enrollment, the contractor will provide a member handbook to the member which contains important information about how to access health care for KidsCare eligible children.

In order to qualify for the KidsCare Program, applicants must permit AHCCCS to release personal and financial information from the application and supporting documents to the DES to determine eligibility for Medicaid, if applicable.

AHCCCS will perform automated system database checks to verify that a child is not covered by Medicaid. The application will include questions concerning other health insurance coverage. A declaration on the application will be accepted confirming that there is no other health insurance coverage. Eligibility workers will review each application and determine if all eligibility factors are met. Information that is missing will be requested in person, by phone or by mail.

AHCCCS will publish the application form and instructions for completing the form in English and Spanish. Based on the demographics in Arizona of other ethnic groups, AHCCCS does not believe that developing the application in other languages is necessary since no other ethnic group exceeds 3% of the population.

A member will be allowed to change contractors on an annual basis and when an individual moves into a new geographic area not served by the current contractor. A member can change PCPs at any time. The option to change contractors will be based on the member's anniversary date which will be the first day of the month that the member is enrolled into KidsCare. Ten months following the anniversary

date, the member will be sent an annual enrollment notice advising that a different contractor may be selected. A list of contractors, with toll-free numbers and the available services, will be included. The member, or parent of the child, will have three weeks to change contractors. If a change is requested, the effective date is a year from the anniversary date. Enrollees must notify AHCCCS of a change in address or other circumstances that could affect continued eligibility or enrollment.

Children who elect to enroll with IHS or a 638 tribal facility will be allowed to disenroll at any time upon request and choose a contractor for all KidsCare services. Similarly, Native American children enrolled with a contractor or other provider will be allowed to disenroll at any time upon request and enroll with the IHS.

**4.4. Describe the procedures that assure:**

**4.4.1. *Through intake and follow-up screening, that only targeted low-income children who are ineligible for either Medicaid or other creditable coverage are furnished child health assistance under the state child health plan. (Section 2102)(b)(3)(A))***

AHCCCS will ensure that a child who is not eligible for Medicaid or other creditable coverage, but who meets KidsCare eligibility criteria, is enrolled in KidsCare. AHCCCS will administer both the Medicaid and KidsCare Program. Records of KidsCare eligibility will be maintained in a data base that is also used for Medicaid eligibility. The data base will be checked for current Medicaid eligibility before determining KidsCare eligibility. Medicaid eligibility will always override KidsCare eligibility.

A family member, legal representative or the child will be required to report changes in employer insurance coverage or eligibility for group health insurance or other creditable insurance.

**4.4.2. *That children found through the screening to be eligible for medical assistance under the state Medicaid plan under Title XIX are enrolled for such assistance under such plan. (Section 2102)(b)(3)(B))***

AHCCCS will administer both Medicaid and the KidsCare Program and will ensure that any child eligible for Medicaid is enrolled in Medicaid. The application form used for KidsCare will initiate an application for Medicaid which will be determined simultaneously. As mentioned above, Medicaid eligibility will always override KidsCare eligibility.

**4.4.3. *That the insurance provided under the state child health plan does not substitute for coverage under group health plans. (Section 2102)(b)(3)(C))***

The application process will request information about group health plan coverage within the past six months. If a child is covered by group health insurance or was covered and the coverage was voluntarily discontinued in the past six months, the child will not be eligible for KidsCare. Exceptions to the six month bare provision will be granted if the coverage was dropped due to involuntary loss of employment, for newborns and for persons who are transitioning from the Premium Sharing Program, Medicaid or the state-funded programs. Involuntary loss of employment includes situations where a person resigns from employment to avoid termination of employment.

An eligibility worker will review the application and ask the parent or responsible party to make a declaration whether the family member or an employer has discontinued employer-sponsored dependent insurance coverage in order to allow a child to participate in the KidsCare Program.

**4.4.4. *The provision of child health assistance to targeted low-income children in the state who are Indians (as defined in section 4(c) of the Indian Health Care Improvement Act, 25 U.S.C. 1603(c). (Section 2102)(b)(3)(D))***

Meetings to discuss the KidsCare Program and outreach strategies have been and will continue to be held with representatives from the three area IHS agencies, the Arizona Inter-tribal Council, which represents 20 of Arizona's 21 Indian Tribes, the Navajo Nation, Urban Indian Centers and the Indian Health Advisory Committee. In addition, the Governor's Office convened a meeting to discuss the KidsCare Program and invited representatives from the 21 tribes. AHCCCS has held subsequent meetings with the tribes to discuss outreach strategies designed to enroll eligible Native American children into KidsCare. See Attachment I for a listing of the tribal entities who have participated in the discussions.

As discussed in Section 3, IHS and participating 638 tribal facilities may provide KidsCare services. In addition, Native American children may choose to enroll with a contractor in their geographic area.



Applications and enrollment information will be available at IHS and appropriate tribal locations. AHCCCS will also use Native American events, newspapers, and radio stations as a forum for outreach. If IHS or tribal staff are willing to assist applicants in completing the KidsCare application, training will be provided by AHCCCS.

AHCCCS has a Native American Coordinator who is available to the tribes for information or presentations.

**4.4.5. *Coordination with other public and private programs providing creditable coverage for low-income children. (Section 2102)(b)(3)(E))***

Please refer to Section 2.2.